



HOUSE  
BUDGET  
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# Budget Digest

Ranking Member Steve Womack

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## BUDGET DIGEST: HIGHWAY TRUST FUND 101

In 1956, President Dwight D. Eisenhower signed the *Highway Revenue Act* to build the Interstate Highway System and establish the Highway Trust Fund (HTF) as its financing arm. The HTF is composed of two Trust Funds: the original Highway Account and the Mass Transit Account, which was added to the HTF in 1983. The Highway Account funds interstate projects such as highway construction, bridges, and general maintenance, while the Mass Transit Account funds public transportation initiatives (e.g. subways, buses, etc.).<sup>1</sup> In 2018, the HTF spent a total of \$55 billion; \$45 billion on federal highways and \$10 billion on mass transit.<sup>2</sup>

The primary sources of HTF revenue include an 18.3-cent-per-gallon tax on gasoline and a 24.3-cent-per-gallon tax on diesel fuel. Other sources of revenue include truck tire taxes, truck registration fees, and interest paid on the fund's balances by the Department of the Treasury.<sup>3</sup> Since the creation of the HTF, Congress has increased fuel taxes a total of four times, the most recent being in 1993.<sup>4</sup> The fuel taxes are not indexed to inflation and have not changed since 1993.

Since 2001, the HTF has been running deficits (Trust Fund spending exceeds revenue) and will be insolvent in 2022,

according to the Congressional Budget Office.<sup>5</sup> Since the HTF cannot incur negative balances, at this time, spending will automatically decrease to its revenue level and the Department of Transportation will have to ration the amounts it reimburses states. Alternatively, Congress could provide additional funding to the Trust Fund, often in the form of transfers from the General Fund. Congress has enacted several Treasury General Fund bailouts to the HTF since 2008 for a total of \$139.92 billion.<sup>6</sup> The most recent transfer occurred in 2015, in the *Fixing America's Surface Transportation Act of 2015*, which transferred \$70 billion from the General Fund to the HTF.

On Wednesday, September 25<sup>th</sup> the House Budget Committee will hold a [hearing](#) entitled "America's Infrastructure: Today's Gaps, Tomorrow's Opportunities, and the Need for Federal Investment." The hearing is an opportunity for Members to highlight the need for Congress to address infrastructure funding in a bipartisan way and properly budget for our nation's infrastructure investments.

General Fund Transfers to the HTF			
Year of Transfer	Amount (in billions)	Authorizing Law	Authorizing Law Title
FY 2008	\$8.0	P.L. 110-318	An act to amend the Internal Revenue Code of 1986 to restore the Highway Trust Fund balance
FY 2009	\$7.0	P.L. 111-46	To restore sums to the Highway Trust Fund, and for other purposes
FY 2010	\$19.5	P.L. 111-147	Hiring Incentives to Restore Employment Act
FY 2013/14	\$17.5	P.L. 112-141	Moving Ahead for Progress in the 21st Century Act
FY 2014	\$9.8	P.L. 113-159	Highway and Transportation Funding Act of 2014
FY 2015	\$8.1	P.L. 114-41	Surface Transportation and Veterans Health Care Choice Improvement Act of 2015
FY 2016	\$70.0	P.L. 114-94	Fixing America's Surface Transportation Act
Total	\$139.9		



<sup>1</sup> <https://www.pgpf.org/budget-basics/budget-explainer-highway-trust-fund>.

<sup>2</sup> <https://www.cbo.gov/system/files/2019-01/51300-2019-01-highwaytrustfund.pdf>.

<sup>3</sup> <https://fas.org/sgp/crs/misc/R45350.pdf>.

<sup>4</sup> Ibid.

<sup>5</sup> [https://www.cbo.gov/system/files/2019-05/51300-2019-05-highwaytrustfund\\_1.pdf](https://www.cbo.gov/system/files/2019-05/51300-2019-05-highwaytrustfund_1.pdf).

<sup>6</sup> <https://fas.org/sgp/crs/misc/R45350.pdf>.